

Personal

OLL 83-2775

17 November 1983


MEMORANDUM FOR THE RECORD

SUBJECT: Final FY 1984 Budget Reconciliation Bills

1. Attached for your information are the subject bills--H.R. 4169 in the House and S. 2062 in the Senate--and the relevant portions of the Committee reports for each. Please note that these bills have not gone to conference yet and are therefore subject to further change. Employee and retiree cost-of-living adjustment (COLA) is the principal issue of interest therein.

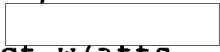
2. Please note that if the Congress fails to pass a final budget reconciliation bill, and further fails to include the COLA provisions in some other enacted legislation, the President's 3.5% COLA, as proposed in his August pay message to the Congress, will become effective in January 1984, vice the Congressionally-supported 4% increase.

3. This office will provide you with the final Budget Reconciliation Bill as quickly as it is available.


Liaison Division
Office of Legislative Liaison

Attachments
As stated

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1 TITLE II—CIVIL SERVICE PROGRAMS

2 COST-OF-LIVING ADJUSTMENTS UNDER THE CIVIL SERVICE

3 RETIREMENT SYSTEM

4 SEC. 201. (a) Subsections (a) and (b) of section 8340 of
5 title 5, United States Code, are amended to read as follows:

6 “(a) For the purpose of this section—

7 “(1) the term ‘base quarter’, as used with respect
8 to a year, means the calendar quarter ending on Sep-
9 tember 30 of such year; and

10 “(2) the price index for a base quarter is the
11 arithmetical mean of such index for the 3 months com-
12 prising such quarter.

13 “(b) Except as provided in subsection (c) of this section,
14 effective December 1 of each year, each annuity payable
15 from the Fund having a commencing date not later than such
16 December 1 shall be increased by the percent change in the
17 price index for the base quarter of such year over the price
18 index for the base quarter of the latest preceding year in
19 which an increase under this subsection was made, adjusted
20 to the nearest $\frac{1}{10}$ of 1 percent.”.

21 (b)(1) The amendments made by subsection (a) shall take
22 effect on the date of the enactment of this Act, except that no
23 adjustment under section 8340(b) of title 5, United States
24 Code (as amended by such subsection), shall be made during

1 the period beginning on the date of the enactment of this Act
2 and ending November 30, 1984.

3 (2) For purposes of the first increase under subsection
4 (b) of section 8340 of title 5, United States Code (as amended
5 by subsection (a)) after the date of enactment of this Act, an
6 increase under such subsection (as so amended) shall be
7 deemed to have been made effective December 1, 1983.

8 (c) Notwithstanding any other provision of law, begin-
9 ning with the monthly rate payable for December 1984, any
10 annuity or retired or retirement pay payable under any retire-
11 ment system for Government officers or employees which the
12 President adjusts pursuant to section 8340(b) of title 5,
13 United States Code (as amended by subsection (a)), shall
14 hereafter be paid no earlier than the first business day of the
15 succeeding month.

16 (d) Subsection (b) of section 301 of the Omnibus Budget
17 Reconciliation Act of 1982 (96 Stat. 790; 5 U.S.C. 8340
18 note) is repealed.

19 PAY COMPARABILITY ADJUSTMENT FOR FEDERAL
20 EMPLOYEES

21 SEC. 202. (a)(1) Notwithstanding any other provision of
22 law, in the case of fiscal year 1984, the overall percentage of
23 the adjustment under section 5305 of title 5, United States
24 Code, in the rates of pay under the General Schedule, and in

1 the rates of pay under the other statutory pay systems shall
2 be an increase of 4 percent.

3 (2) The adjustment pursuant to paragraph (1) shall take
4 effect on the first day of the first applicable pay period com-
5 mencing on or after January 1, 1984.

6 (b) Section 5305 of title 5, United States Code, is
7 amended—

8 (1) in subsection (a)(2), by inserting "the first Jan-
9 uary 1 after" before "October 1";

10 (2) in the first sentence of subsection (c)(1) by
11 striking out "September 1" and inserting in lieu there-
12 of "December 1";

13 (3) in the first sentence of subsection (c)(2), by in-
14 serting "the first January 1 after" before "October 1";
15 and

16 (4) in subsection (m), by striking out "October 1"
17 and inserting in lieu thereof "the first January 1 after
18 October 1 of the applicable year".

19 (c)(1) Notwithstanding any other provision of law, in the
20 case of a prevailing rate employee described in section
21 5342(a)(2) of title 5, United States Code, or an employee
22 covered by section 5348 of such title—

23 (A) any increase in the rate of pay payable to
24 such employee which would result from the expiration

1 of the limitation contained in section 107(a) of Public
2 Law 97-377 (96 Stat. 1909) shall not take effect, and

3 (B) any adjustment under subchapter IV of chap-
4 ter 53 of such title to any wage schedule or rate appli-
5 cable to such employee which results from a wage
6 survey and which is to become effective during the
7 fiscal year beginning October 1, 1983, shall not exceed
8 the amount which is 4 percent above the schedule or
9 rate payable on September 30, 1983 (determined with
10 regard to the limitation contained in section 107(a) of
11 Public Law 97-377).

12 (2) Notwithstanding the provisions of section 9(b) of
13 Public Law 92-392 or section 704(b) of the Civil Service
14 Reform Act of 1978, paragraph (1) shall apply (in such
15 manner as the Office of Personnel Management shall pre-
16 scribe) to prevailing rate employees to whom such section
17 9(b) applies, except that paragraph (1) shall not apply to any
18 increase in a wage schedule or rate which is required by the
19 terms of a contract entered into before the date of enactment
20 of this Act.

21 (3) For the purpose of paragraph (1), the rate payable to
22 any employee who is covered by this subsection and who is
23 paid from a schedule which was not in existence on Septem-
24 ber 30, 1983, shall be determined under regulations pre-
25 scribed by the President.

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1 (4) For the purpose of administering any provision of
2 law, rule, or regulation which provides premium pay, retire-
3 ment, life insurance, or any other employee benefit, which
4 requires any deduction or contribution, or which imposes any
5 requirement or limitation, on the basis of a rate of salary or
6 basic pay, the rate of salary or basic pay payable after the
7 application of this subsection shall be treated as the rate of
8 salary or basic pay.

9 DEDUCTION FROM CIVILIAN PAY FOR COST-OF-LIVING

10 ADJUSTMENT OF RETIRED OR RETAINER PAY

11 SEC. 203. Subsection (d) of section 301 of the Omnibus
12 Budget Reconciliation Act of 1982 (96 Stat. 791; 5 U.S.C.
13 5332 note) is repealed.

14 LEAVE FOR CERTAIN OVERSEAS EMPLOYEES

15 SEC. 204. Subsection (a) of section 6 of the Defense
16 Department Overseas Teachers Pay and Personnel Practices
17 Act (73 Stat. 214; 20 U.S.C. 904(a)) is amended by striking
18 out "except that—" and all that follows through the end of
19 such subsection and inserting in lieu thereof "except that if
20 the school year includes more than eight months, any such
21 teacher who shall have served for the entire school year shall
22 be entitled to ten days of cumulative leave with pay."

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1 CIVIL SERVICE RETIREMENT DEPOSITS COVERING

2 MILITARY SERVICE

3 SEC. 205. The first sentence of section 306(g) of the
4 Omnibus Budget Reconciliation Act of 1982 (5 U.S.C. 8331
5 note) is amended by striking out "October 1, 1983" and in-
6 serting in lieu thereof "October 1, 1985".

7 PAY INCREASES FOR CERTAIN EMPLOYEES IN PANAMA

8 SEC. 206. (a) Section 1225(b)(2) of the Panama Canal
9 Act of 1979 (Public Law 96-70; 93 Stat. 468) is amended to
10 read as follows:

11 "(2) Each time the rates of basic pay under the General
12 Schedule are increased under section 5305 of title 5, United
13 States Code, the rate of basic pay for each individual referred
14 to in paragraph (1) shall be increased by the amount which is
15 equal to the overall average percentage by which the rates of
16 pay under the General Schedule are increased under such
17 section at such time."

18 (b) The amendment made by subsection (a) shall take
19 effect with respect to basic pay for service performed on or
20 after the date of enactment of this Act.

21 TITLE III—SMALL BUSINESS PROGRAMS

22 CHANGES IN LAW TO ACHIEVE COST SAVINGS

23 SEC. 301. The first sentence of section 18(a) of the

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1 TITLE IV—VETERANS' BENEFITS AND SERVICES

2 LIMITATIONS ON LEGISLATION INCREASING RATES OF

3 BENEFITS

4 SEC. 401. (a) No legislation that would increase one or
5 more rates of the benefits under chapter 11 or 13 of title 38,
6 United States Code, effective in fiscal year 1984 shall be
7 enacted if such legislation would cause the total costs of leg-
8 islation increasing such rates in fiscal year 1984 to exceed
9 \$175,500,000 in budget authority or \$145,300,000 in out-
10 lays in fiscal year 1984.

11 (b) In the event that legislation to increase rates of
12 benefits under chapter 11 or 13 of title 38, United States
13 Code, effective in fiscal year 1985 or 1986, is enacted, such
14 legislation shall not take effect before December 1, 1984, or
15 December 1, 1985, respectively.